

SAS AB:s teleconference

Augusti 14th 2008

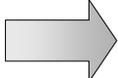


SAS Group

A STAR ALLIANCE MEMBER 



Weak second quarter due to unprecedented challenging market conditions

- Combination of record high fuel prices and economic slowdown probably largest industry challenge ever
 - SAS Group EBT bef. non rec Apr-Jun 2008: MSEK 262 (806)
 - Not possible to fully offset Jet fuel prices in short term
 - Profit 2008 intensified
 - Targeting SEK 1.5 bn result improvement (2008)
 - Total capacity adjustments 18 aircraft
 - 1 500 FTE's reduction
 - Spanair launched 90 MEUR program with effect 2009
-  Total group capacity reduction 33 aircraft and 2500 FTE
- Stable financial situation

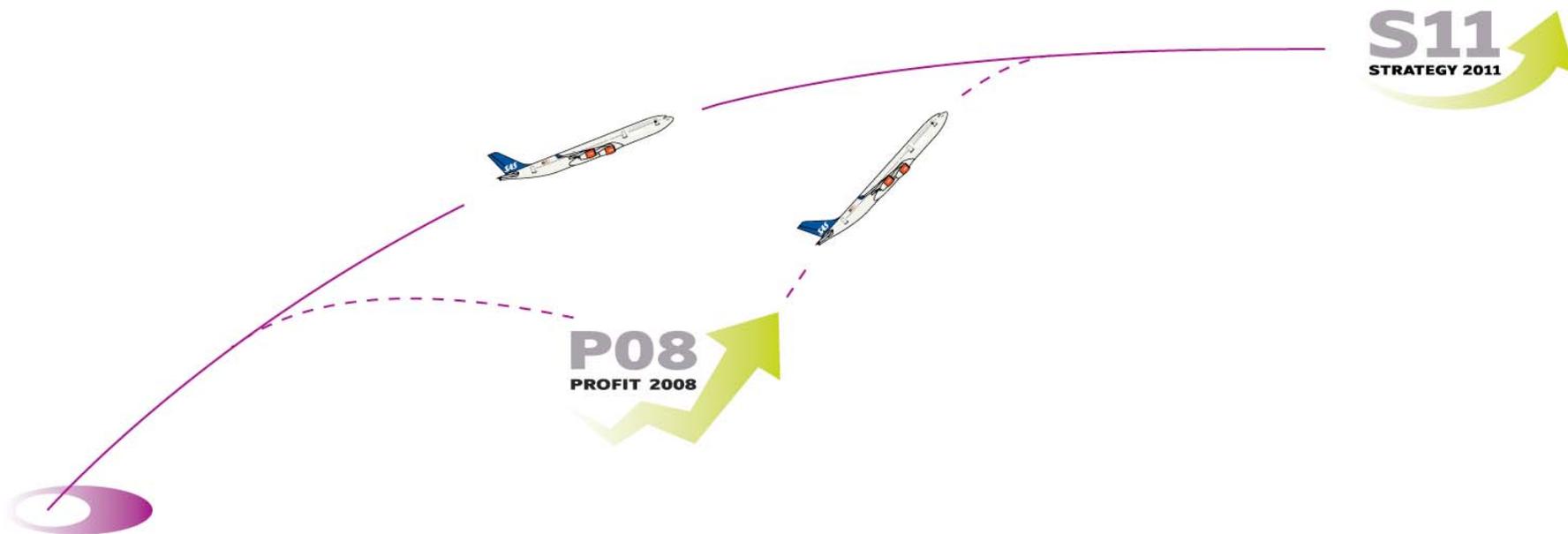
Profit 2008 –program launched Q1 Intensified

Short term measures on top of Strategy 2011 to get us back "on course"

Intensified August 2008



**Secure performance
in 2008**



Continued focus on S11 strategy including long term cost program

P08
PROFIT 2008

- P08 – Program to protect 2008 result
- ↳ Launched April 2008
 - Implementation on track
 - Intensified August 2008

S11
STRATEGI 2011

- Cultural Turnaround
 - Focus and concentration
 - Harmonization and development of customer offer
 - Competitiveness
 - Cost Gap of 3-4 billion to be addressed as from 2009
- ➔ Profitable growth

Fuel increased hedge level

- Expected to be approx SEK 14 bn in 2008 at current market levels

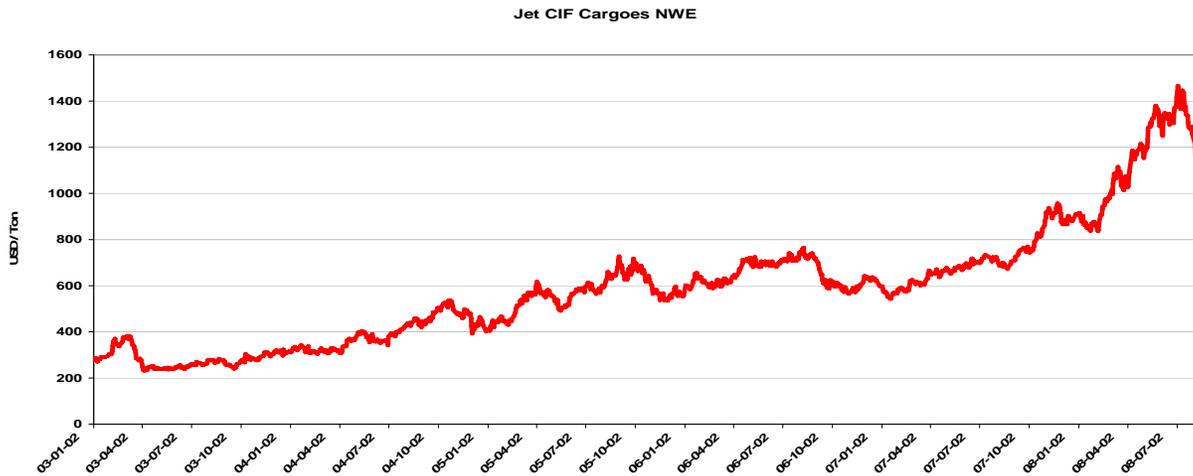
More challenging but strategy intact

- Hedging 40-60% of expected consumption (12 months rolling)
- Yield management
- Cost initiatives

Current hedges

- 60% of the consumption hedged for 2008
 - Of which appr. 11 p.u. with swaps
 - Of which appr. 45 p.u. with options
 - Remaining with 3-ways
- 47% of consumption hedged until June 2009

Fuel prices at all time high



Spanair

Add 2.5-3.0 billion to fuel cost

Profit 2008 & Spanair measures



Profit 2008

- SEK 1.1bn
- 11 aircraft
- 1 000 FTE

Spanair measures

- SEK 90 MEUR (2009)
- 15 aircraft
corresponding to
25 % of capacity
- 1 000 FTE

Profit 2008 intensified

- SEK 0.4 bn
- 7 aircraft
- 500 FTE

- SAS Group
- SEK 1.5 bn result effect
2008
- Spanair 90 MEUR (2009)
- 33 aircraft
- 2 500 FTE

Distribution of Profit 2008

MSEK	2008
Price adaptations	600-650
Changes in traffic program	300
Reduction regarding overhead admin and sales	225
Other activities	325
Total	1450-1500

Capacity reduction

33 aircraft

+

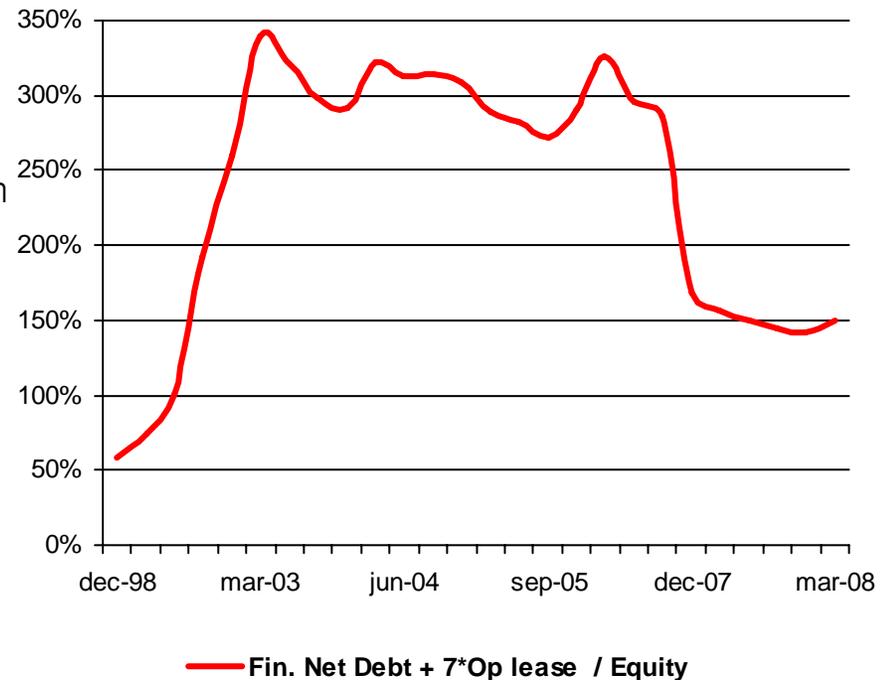
**Traffic program
changes**



**ASK: down 10
% vs.plan**

Stable financial position

- Solid liquidity of MSEK 8 204
- Available credit facilities of MSEK 5 767
- Interest bearing liabilities reduced by SEK 1.7 bn
- ➔ Net Debt : 0
- MUSD 729 in aircraft CAPEX in 2008-2010
 - CRJ/ Q400- financing secured (several options)
 - B 737 2009 deliveries to be placed on operating leases



Sum up 1st Half

Market

- Probably largest industry challenge ever
- Rapid increase of fuel prices to new records
- Economic slowdown

Profit 2008

- 33 aircraft will be taken out (Incl Spanair)
- Capacity reduced by 10 %
- 1.5 SEK billion result effect plus Spanair effect
- Redundancy 2500 FTE`S (Incl Spanair)

Strategy 2011

- 2,8 SEK billion cost program
- More cost reduction needed 2009
- Cultural turnaround
- Customer focus –product and quality improvements

